



DEPARTMENT OF COMMERCE

U. S. Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Business and Professional Classification Report

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the Federal Register on March 8, 2021 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: U.S. Census Bureau.

Title: Business and Professional Classification Report.

*OMB Control Number:*0607-0189.

Form Number(s): SQ-CLASS.

Type of Request: Regular submission, Request for an Extension, without Change, of a Currently Approved Collection.

Number of Respondents: 58,000.

Average Hours Per Response: 13 minutes.

Burden Hours: 12,567.

Needs and Uses: The U.S. Census Bureau requests continued clearance of the Business and Professional Classification Report (SQ-CLASS). The primary purpose of SQ-CLASS Report is to meet the ongoing sample needs of the Census Bureau's various surveys of the retail trade,

wholesale trade, and services portions of the economy (our current business surveys) as defined by the North American Industry Classification System (NAICS). The data collected by the SQ-CLASS report are used to update the samples in our current business surveys to reflect newly opened establishments. Additionally, establishments in the five-year economic census will receive data collection instruments specifically tailored to their industry based on the classification information obtained by the SQ-CLASS report.

Additionally, establishments in the five-year economic census will receive data collection instruments specifically tailored to their industry based on the classification information obtained by the SQ-CLASS report. Businesses in Support Activities for Crop Production (NAICS 1151) and Support Activities for Animal Production (NAICS 1152) will be added to the scope and collection of the 2022 Economic Census in order to fill a recognized measurement gap. To ensure that businesses are properly classified before the 2022 Economic Census collection, the scope of the SQ-CLASS is being expanded to include businesses in the Agriculture Sector (NAICS 11) that are not fully classified. This change adds approximately 6,000 cases to the SQ-CLASS collection in Fiscal Year 2022 and a small number of additional cases in succeeding years, with minor modifications to the SQ-CLASS instrument and instructions. In the *Federal Register* notice dated March 8, 2021 located in Vol.86, No.43, on page 13,280, this change to our sampling structure was not mentioned.

To keep current with rapid changes in the marketplace caused by new businesses (a.k.a. births) the Census Bureau samples newly assigned Employer Identification Numbers (EINs) obtained from the Internal Revenue Service (IRS). Each EIN can only be selected once for the SQ-CLASS report. EINs selected for the SQ-CLASS sample are asked to provide data about the establishment(s) associated with the new EIN including a more reliable measure of size, consisting of sales in two recent months, company affiliation information, a new or more detailed industry classification code, and other key information needed to maintain proper coverage of the business universe on the Business Register (BR) for the current business surveys.

Based on information collected on the SQ-CLASS form, EINs meeting the criteria for inclusion in the Census Bureau's current business surveys are eligible for a second phase of sampling. The retail, wholesale, and services EINs selected in this second sampling are asked to report annually on the annual retail, wholesale, and service surveys. A subsample of the retail and wholesale EINs are also asked to report monthly on the monthly retail and wholesale surveys. Similarly, a subsample of the service EINs are asked to report in the quarterly services survey.

The Economic Census and the current business surveys represent the primary source of facts about the structure and function of the U.S. economy, providing essential information to government and the business community in making sound decisions. This information helps build the foundation for the calculation of Gross Domestic Product (GDP) and other economic indicators. Crucial to its success are the accuracy and reliability of the BR data, which provides the Economic Census and current business surveys with their establishment lists. Critical to the quality of information housed in the BR is that each of the statistical units has an accurate industry classification, measure of size, activity status, and physical address assigned to it. The vital information obtained from the SQ-CLASS report is fed back to the BR to represent changes in industries and confirm coverage between the years of the Economic Census.

We are not proposing any major changes to the collection. Minimal changes are being made to the economic activity descriptions in the primary business activity question on the SQ-CLASS report. These changes include providing additional examples of activities included in a specific economic sector. Respondents will continue to choose the economic sector of their business and then select their type of business from a list of business activities based on their response to the question about their economic sector. If the respondent does not see their business activity listed, then they will provide a brief description of their business activity. This is the same methodology that the Census Bureau uses in the Economic Census to assign industry classification.

Affected Public: Business or other for-profit organizations.

Frequency: One time.

Respondent's Obligation: Mandatory.

Legal Authority: Title 13 U.S.C., Sections 131, 182 and 193.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0607-0189.

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